



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

November 15, 2011

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE THE INTRODUCTION OF AN ORDINANCE  
TO AMEND THE GAS PIPELINE FRANCHISE GRANTED TO  
SOUTHERN CALIFORNIA GAS COMPANY BY ORDINANCE NO. 6765 AS  
AMENDED  
AND AMEND A SUPPLEMENTAL AGREEMENT  
FOR THE ABATEMENT OF GRAFFITI  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

Approval of these recommendations will amend the existing gas pipeline franchise granted to Southern California Gas Company and amend an existing supplemental agreement with Southern California Gas Company for the prevention and abatement of graffiti to extend the term of the franchise and supplemental agreement through December 31, 2013.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the introduction of an ordinance to amend the gas pipeline franchise granted to Southern California Gas Company, a California corporation, by Ordinance No. 6765, as amended, to extend the term of the franchise through December 31, 2013.
2. Introduce, waive reading, and place on your Board's agenda for adoption on November 22, 2011, the accompanying ordinance that implements the above recommendation becoming effective January 1, 2012.

*"To Enrich Lives Through Effective And Caring Service"*

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3. Approve and instruct the Mayor of your Board to execute Amendment No. 1 to the Graffiti Abatement and Coordination Agreement, to extend through December 31, 2013, a cooperative program for the prevention and removal of graffiti from the above-ground facilities of Southern California Gas Company.
4. Find that this project is categorically exempt under the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to adopt an ordinance to amend and extend the term of the Southern California Gas Company (SoCalGas) franchise, in order to allow additional time to negotiate a settlement of the findings of an audit of the annual fees and surcharges SoCalGas paid to the County for calendar years 2001 through 2005; amend and extend the term of the Graffiti Abatement and Coordination Agreement with SoCalGas, a cooperative program for the prevention and abatement of graffiti; implement revisions to the County's franchise codes; and negotiate the terms and conditions of a new longer-term franchise with SoCalGas.

#### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize and support the timely delivery of efficient public services and Community and Municipal Services (Goal 3) directs we that provide access to the delivery of customer-oriented municipal services. Your Board's adoption of an ordinance to amend the SoCalGas franchise is consistent with these goals.

#### **FISCAL IMPACT/FINANCING**

SoCalGas has paid the County a one-time granting fee of \$5,000 to process an ordinance to extend the term of the franchise. Under the amended franchise agreement, SoCalGas will continue to pay an annual franchise fee and municipal public lands use surcharge, which for the 2010 calendar year totaled over \$2.27 million, calculated based upon 2 percent of the gross annual receipts that SoCalGas received from the use, operation, or possession of the franchise, but not less than 1 percent of the gross annual receipts that SoCalGas received from the sales of the commodity (gas) or service within the franchise area.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On September 20, 1955, your Board adopted Ordinance No. 6765, granting a 50-year County-wide gas pipeline franchises to SoCalGas, which expired October 19, 2005. By adopting Ordinance No. 2009-0054F, your Board extended the term of the SoCalGas franchise through December 31, 2011. Upon your Board's adoption of the accompanying ordinance, the term of the SoCalGas franchise will be extended to December 31, 2013.

The existing Graffiti Abatement and Coordination Agreement with SoCalGas provides a coordinated effort between the Department of Public Works and a graffiti abatement contractor engaged by SoCalGas at its expense, to synchronize graffiti removal requests to address your Board's concerns regarding timely removal of graffiti from above-ground facilities SoCalGas maintains within the franchise area. Upon approval of Amendment No. 1 by your Board, the Graffiti Abatement and Coordination Agreement will be extended a term to run conterminously with the amended franchise agreement (through December 31, 2013).

The Department of Public Works and the Fire Department have reviewed these recommendations and have no objections. County Counsel has reviewed the accompanying ordinance to amend the SoCalGas franchise and Amendment No. 1 to the Graffiti Abatement and Coordination Agreement and approved them as to form.

### **ENVIRONMENTAL DOCUMENTATION**

The Chief Executive Office has concluded that the franchise amendment and the graffiti abatement supplemental agreement are exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended Board actions will not impact or adversely affect any current services or future projects.

The Honorable Board of Supervisors  
November 15, 2011  
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**CONCLUSION**

Instruct the Executive Officer, Board of Supervisors to send conformed copies of the approved Board recommendation and the adopted ordinance to: Mr. Joseph Michael Mosca, Franchise and Fees Manager, 555 West 5<sup>th</sup> Street, GT26E2, Los Angeles, California 90013-1044, and the offices of County Counsel, Department of Public Works, Fire Department, and Chief Executive Office, Real Estate Division.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:RLR  
CMM:RB:ls

c: Executive Office, Board of Supervisors  
County Counsel  
Fire  
Public Works

**AMENDMENT NO. 1**  
**TO**  
**THE GRAFFITI ABATEMENT**  
**COORDINATION AGREEMENT**  
**BY AND BETWEEN**  
**SOUTHERN CALIFORNIA GAS COMPANY**  
**AND**  
**THE COUNTY OF LOS ANGELES**

**AMENDMENT NO. 1 TO THE GRAFFITI ABATEMENT AND COORDINATION  
AGREEMENT BY AND BETWEEN SOUTHERN CALIFORNIA GAS COMPANY AND  
THE COUNTY OF LOS ANGELES**

This Amendment to the Graffiti Abatement and Coordination Agreement ("Amendment No. 1" or the "Amendment") by and between Southern California Gas Company, a California Corporation ("SCG"), and the County of Los Angeles ("County"), is hereby made and entered into on the day, month and year it is fully executed by the County hereinbelow.

**RECITALS**

WHEREAS, the County is a duly organized subdivision of the State of California;

WHEREAS, the County in pertinent part provides law enforcement services to the unincorporated portions of the County of Los Angeles;

WHEREAS, SCG is a regulated public utility operating under the laws of the State of California;

WHEREAS, over the course of time, the County has attempted to control and remediate the problems associated with graffiti in the public rights-of-way and elsewhere;

WHEREAS, SCG's above-ground gas transmission and distribution facilities installed in the public right-of-way are particularly vulnerable to graffiti;

WHEREAS, SCG and the County entered into a Graffiti Abatement and Coordination Agreement on December 15, 2009;

WHEREAS, the Graffiti Abatement and Coordination Agreement was to remain in effect for a term of two years from the date it was approved by the County and SCG, which said term will expire on December 15, 2011;

**NOW THEREFORE**, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the covenants and agreements hereinafter contained, the parties hereto and each of them do agree to amend the Graffiti Abatement and Coordination Agreement as follows:

**SECTION 1.** Section 12.0 of the Graffiti Abatement and Coordination Agreement is hereby amended as follows:

**Section 12.0 Term of Agreement.** This Agreement shall remain in effect ~~for two years from the date it is approved by the County and SCG through December 31, 2013,~~ or until earlier terminated by the mutual written consent of SCG and the County.

**SECTION 2.** All undefined terms when used herein shall have the same respective meanings as set forth in the Graffiti Abatement and Coordination Agreement unless expressly provided otherwise in this Amendment No. 1.

**SECTION 3.** Each of the signatories for this Amendment No. 1 personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein and each agrees to indemnify and hold the County harmless from all damages, costs, and expenses that result from a breach of this representation.

**SECTION 4.** In the event of a conflict between the terms and conditions of this Amendment No. 1 and the terms and conditions of the Graffiti Abatement and Coordination Agreement, the terms and conditions of this Amendment No. 1 shall prevail. All other terms and conditions contained in the Graffiti Abatement and Coordination Agreement shall remain in full force and effect.

**[END OF TERMS]**



The foregoing was on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

**COUNTY OF LOS ANGELES**

By \_\_\_\_\_  
Michael D. Antonovich, Mayor

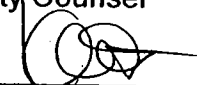
**ATTEST:**

SACHI A. HAMAI  
Executive Officer-Clerk  
Of the Board of Supervisors

By \_\_\_\_\_  
Deputy

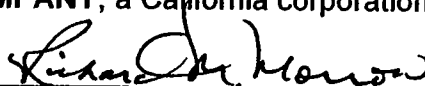
**APPROVED AS TO FORM:**

ANDREA SHERIDAN ORDIN  
County Counsel

By:   
Kathleen Bramwell  
Principal Deputy County Counsel

**IN WITNESS WHEREOF**, Southern California Gas Company has caused this Amendment No. 1 to the Graffiti Abatement and Coordination Agreement to be executed on its behalf, effective on the day, month and year first written above.

**SOUTHERN CALIFORNIA GAS  
COMPANY**, a California corporation

By: 

RICHARD M. MORROW

Print Name

VICE PRESIDENT - ENGINEERING & OPERATIONS STAFF

Title

**ORDINANCE TO AMEND  
THE GAS PIPELINE FRANCHISE  
GRANTED TO  
SOUTHERN CALIFORNIA GAS COMPANY**

## ANALYSIS

This ordinance amends the gas pipeline franchise granted to Southern California Gas Company, a California corporation (Franchisee), by Ordinance No. 6765, as amended, to extend the term of the franchise through December 31, 2013.

ANDREA SHERIDAN ORDIN  
County Counsel

By



KATHY BRAMWELL  
Principal Deputy County Counsel  
Contracts Division

KB:pt

Requested: (10/5/11)  
Revised: (10/13/11)

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Ordinance No. 6765, as amended, relating to the gas pipeline franchise granted to Southern California Gas Company, a California corporation.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 1 of Ordinance No. 6765, as amended, is hereby amended to read as follows:

**Section 1. Franchise Term, Grant.**

The right, privilege, and franchise is hereby granted to the Southern California Gas Company, a company organized and existing under and by virtue of the laws of the State of California (the Grantee and/or Franchisee), and its successors and assigns, to lay, construct, erect, install, operate, maintain, use, repair, replace, and remove pipes, pipe lines, mains, services, traps, vents, vaults, manholes, meters, gauges, regulators, valves, conduits, attachments, and other appurtenances for transmitting and distributing gas for any and all purposes under, along, across, over, or upon the public streets, ways, alleys, places, and highways, ways, and alleys of the County of Los Angeles, State of California (County), through December 31, 2044<sup>13</sup>. The privileges granted by this franchise apply only to territory within the County which, upon the effective date of this ordinance, is unincorporated.

[SOCALGASPIPEFRNKBC]